

Mr. Chairman, I appreciate the opportunity to testify before your committee this morning. Thank you for your steadfast commitment to putting our nation back on a fiscally responsible path. Your leadership on these critical issues is more important than ever and the country is fortunate you're sitting in that chair.

Senator Gregg—let me also thank you for your leadership and your commitment to a bipartisan partnership with Chairman Conrad. The Senate as a whole could learn a lot from the example you and Chairman Conrad set in this committee.

I would also like to acknowledge the work of a few of our colleagues—some of whom are witnesses here today. In addition to the Chairman and Ranking Member, Senators Lieberman, Voinovich and Feinstein and Congressmen Cooper and Wolf have worked hard on the idea we're here to discuss: the creation of a special, bipartisan process to address our ballooning deficits and debt. I salute their work and look forward to working with them.

Finally I note that the next panel will include testimony from William Galston, David Walker, Douglas Holtz-Eakin and Maya MacGuineas—whose indispensable expertise we will rely on to help set our country on a path of fiscal sanity.

Mr. Chairman—as you know, the National Debt cannot grow beyond a ceiling imposed by Congress known as the “debt limit.” In 1919, just after World War I, that ceiling was \$43 billion. By 2001, the debt limit had grown to \$5.9 trillion. At the end of the previous Administration, it had nearly doubled to \$11.3 trillion and today the limit stands at \$12.1 trillion, only roughly \$100 billion more than our current national debt.

The House of Representatives has already passed legislation to increase the debt limit by another \$925 billion. But that increase alone will not be sufficient to cover expected increases in the national debt next year. Let me say something very clearly to the committee that I have said privately to you, Mr. Chairman. It is highly unlikely that I will vote raise the debt limit unless Congress takes credible action to address the problem of our increasing national debt. I know several colleagues share these sentiments.

When the government approaches its statutorily capped level of borrowing, it has become customary for the Treasury Department to write Congress reminding Senators and Congressmen of the dire consequences of restricting its ability to borrow. There should be no mistake: these consequences are real. What those letters often fail to mention, however, are the equally dire consequences of our skyrocketing deficits and debt.

Deficits and debt matter for everyone. In 2008, the American taxpayer paid more than \$250 billion to our creditors in interest payments alone. Each citizen's share of today's debt is more than \$39,000. Long-term deficits will drive up interest rates for consumers, raise prices of goods and services and weaken America's financial competitiveness and security.

The bigger our deficits, the fewer resources we have to provide critical investments in energy, education and health care and tax relief for small businesses and middle-class families. Increasingly, we are financing our debt by borrowing from foreign creditors, including the

Chinese, which raises serious questions about the ability of foreign countries to influence our economic and trade policies in ways that run counter to our national interest.

Washington has proved itself serially incapable of getting its fiscal house in order. Both parties have, all too often, charged the cost of their trillion dollar agendas to the nation's credit card. It has become clear to me that business as usual in Washington cannot be relied upon to fix this problem. This is something the Chairman, Ranking Member and other witnesses here today recognize. If you have the same people and the same progress, you are going to get the same results.

In Washington, the conventional wisdom is that commissions are something politicians create to take the place of hard decisions and real action. However, a new deficit-fighting mechanism, like the one many here have proposed, would have real teeth. Its bipartisan members would have a deadline to issue their report. Congress would then be compelled by law to debate their recommendations and take an up-for-down vote—in effect forcing Washington to face our fiscal challenges head on. No more delay. No more denial. No more excuses. Politicians who choose to continue down the path of political least resistance – more debt– will be forced to explain to the American people why a \$12 trillion debt is okay with them.

In fact, the objection I hear raised most frequently to the creation of this special commission is that it would do too much, not too little. Some in Washington have said that any effort to reduce the deficit should go through the regular committee process. Mr. Chairman, Congress has raised the debt limit eight times since 2001. The national debt has doubled in this time. On our current path, it is scheduled to double yet again. The American people see that our existing process has not only failed to respond to this problem, it has often exacerbated it.

I, like most Americans, am more interested in problem-solving than process. I care more about seeing us address our fiscal issues than which committee has jurisdiction over those issues. To the extent that there is jurisdictional resistance to this idea, you might consider giving the committees a set period of time—60, 90, 100 days—to show they can respond to these challenges. If they failed to do so in that time, then this special process would go into effect.

Mr. Chairman, I believe the time for a commission has come. Never has the need for fiscal responsibility been greater and never has the country been more focused on that need. Last month I sent a letter to the Senate Majority Leader calling for the creation of this special process. Nine of our Democratic colleagues joined me and since then I have been approached by Senators from both parties who have expressed support for the concept.

Before we vote to increase the amount of debt we are asking our children and grandchildren to pay, we must take credible action to finally address this problem in a serious, bipartisan way. If we do not, we will have abdicated our responsibility to this nation, to our children and to our grandchildren. I thank the Chairman and Ranking Member once again for their leadership and pledge to work with you and my colleagues to make this a reality.